

Internal Audit Division  
City of Greensboro



June 7, 2010

**TO:** Dan Curry, Acting Director of Housing & Community Development  
**FROM:** Internal Audit Division  
**SUBJECT:** Mary's House, Inc. 2008-2009

The Internal Audit Division has performed our yearly monitoring visit of the Mary's House which received an Emergency Assistance Grant in the amount of \$6,176; an Operation Greensboro Cares Grant in the amount of \$10,000 and a Transitional Shelter Operations Grant in the amount of \$32,936 from the City of Greensboro during the 2008 to 2009 Grant year.

**The Emergency Assistance** Nussbaum Housing Partnership Allocation Grant for \$6,176 and the Operation Greensboro Cares Grant for \$10,000 were used to provide emergency assistance payments to landlords and utility companies to prevent homelessness or to move individuals from homelessness to sustainable housing. Eligible payments include past due charges, current payments, and deposits. Approximately 150 beneficiaries were projected to be served by the Agency. The agency requisitioned the entire grant.

**The Transitional Shelter Homeless Prevention Services Grant Allocation** which is comprised of Nussbaum Housing Partnership, Community Development Block Grant, and/or Emergency Shelter Grant totaling \$32,936 helps to perform all the necessary services in connection with operating and maintaining a shelter for homeless persons. The Agency shall provide transitional shelter for homeless mothers in recovery from substance abuse and their minor children; and full case management to assist mothers with employment, custody of children, and securing entitlement benefits. Approximately 32 beneficiaries were projected to be served by the Agency at Mary's House located at 520 Guilford Avenue. The agency requisitioned the entire grant.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contracts and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of their contracts with no exceptions noted.

We would like to thank Ms. Craig Thomas, Executive Director; Ms. Ellen Edwards, Bookkeeper; and the staff of the Mary's House for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.



Mickey Kerans  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Andy Scott, Assistant City Manager for Economic Development  
Craig Thomas, Executive Director of Mary's House, Inc.

**Date:** June 2, 2010  
**To:** Craig Thomas, ED, Mary's House  
**From:** Michael Blair, City of Greensboro HCD  
**Program:** Mary's House and Emergency Assistance  
**Fiscal Year:** FY08/09  
**Funding:** Shelter ops - \$32,936; Emergency asst. - \$6,176



**Review of Eligibility & relation to the Consolidated Plan:** The site visit of the facility provides assurance that indicated that the activity exclusively benefits women and children based upon the category of limited-clientele presumed benefit. [24 CFR 570.208(a)(2)]. The participant files reviewed (3 on-site) all contained documentation of homelessness and reason for admittance to the program. The program relationship to 2005-2009 Consolidated Plan is Priority 2B-A, B.

**Review of Cost Allowability:** There were no obvious instances where expenditures were not necessary and reasonable for proper and efficient administration of either the SO or EA program per 24 CFR 85.22 and OMB Circular A87, Attachment B; and the city agreement. [24 CFR 570.502(a)(6)]. The Internal Audit report did not indicate ineligible costs per the agreement and neither did a HCD spot check based on contractual & OMB/CDBG rules.

**Review of Procurement:** A limited procurement review was conducted. All costs reimbursed were for operating and maintenance. As a reminder if any federal grant funds are used to purchase eligible items the procurement of goods and services must follow 24 CFR §85.36(d): (1) small purchase; (2) sealed bids; (3) competitive proposals; (4) noncompetitive proposals. File maintenance for purchases is recommended.

**Review of Shelter (2008-1227) Scope and services to be rendered:** Approximately 32 beneficiaries would be served according to the agreement. In FY08/09 40 (15 adults with 25 minors) beneficiaries were actually served. This is a 99% bed utilization using 8 adults as 100%.

**Review of Emergency Assistance (2008-1228) Scope and services to be rendered:** Approximately 150 "beneficiaries" (plus 150 Op. Greensboro Cares amended) would be served according to the amended agreement. 155 "beneficiaries" were actually served in FY08/09 (plus 241 Op. Greensboro Cares amended).

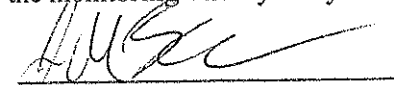
**Review of Client Files:** The three files reviewed were in order and well maintained. Two files included a HCD verification of homelessness but one did not use the contractually required HCD Homelessness Verification; they also included Community Development Household forms.

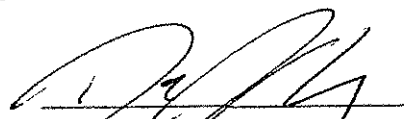
**Observation:** After May of 2009 the program began using the HCD Homelessness Verification; prior to that a notarized (shorter) form was used for approximately one year and the HCD form was used in earlier years.

**Corrective Action:** HCD requires that prescribed Verification of Homelessness forms be filled out and signed by all program participants. A copy of the form is in the blue contractor's handbook provided to agencies. This handbook should always be available for reference especially when agency staff changes.

**Review of Board Minutes:** Minutes are maintained and are generally very understandable including the minutes where the external annual audit was reviewed and accepted by the board.

**Summary:** It is HCD staff opinion that Mary's House is an eligible and effective use of city Homelessness Prevention funding. The program appears to be an excellent alternative for women with children <12 who have become homeless due to chronic addiction issues. Performance records were understandable and there are no disqualifying financial concerns for future City funding. HCD staff appreciates the assistance provided during the monitoring visit by Mary's House staff.

  
Michael Blair  
Analyst Grants Compliance

  
Dan Curry  
Acting Director HCD